

State of Arizona
House of Representatives
Forty-fifth Legislature
Second Regular Session
2002

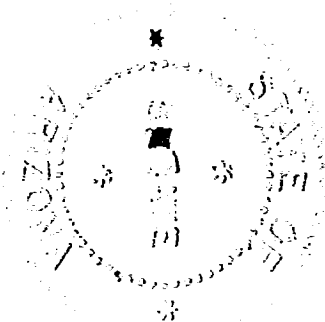
CHAPTER 336

HOUSE BILL 2162

AN ACT

AMENDING SECTIONS 37-108, 37-132, 37-205, 37-239, 37-241, 37-247, 37-251, 37-255, 37-295, 37-312, 37-331, 37-331.03, 37-332, 37-334, 37-335, 37-335.02, 37-335.03, 37-461 AND 41-1092.02, ARIZONA REVISED STATUTES; REPEALING SECTION 37-337, ARIZONA REVISED STATUTES; RELATING TO STATE LAND USE PLANNING AND ADMINISTRATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)



Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 37-108, Arizona Revised Statutes, is amended to read:

37-108. Fees; accounts

A. The department shall charge fees in the following amounts:

1. Applications to lease; agreements:

(a) Surface lease:

(i) Agriculture, new lease
for each section or
fraction thereof

\$100

(ii) Agricultural, renewal
for each lease

\$100

(iii) Commercial, new

\$200 plus
legal advertising
costs

(iv) Commercial, renewal

\$100

(v) Grazing, new for each
section or fraction
thereof

\$100

(vi) Grazing, renewal for
each lease

\$100

(vii) Homesite, new

\$100

(viii) Homesite, renewal

\$100

(b) Urban planning/permits:

(i) Classification

\$100

(ii) Development plan

\$100

(c) Subsurface lease/permit/agreement:

(i) Mineral materials

\$100

(ii) Mineral exploration

\$100

(iii) Mineral for each subdivision

\$100

(iv) Oil and gas

\$100

(v) Geothermal

\$200

2. All assignments of leases, permits,
rights-of-way and contracts

\$200

3. Exchanges of land

\$1,000 plus
appraisal costs

4. Improvements:

(a) Application to place

\$50

(b) Land treatment

\$50

(c) Report of improvements without
prior approval

\$50

5. Natural products:

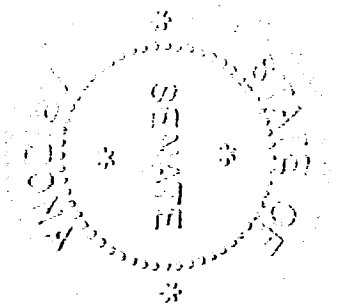
(a) Commercial timber

\$100

(b) Other natural products

\$100

1	6. Permits:	
2	(a) Special land use	\$100
3	(b) Recreational: noncommercial	
4	activities	
5	(i) Annual use, per person	\$15
6	(ii) Group of fewer than twenty	
7	persons for less than	
8	five days	\$15
9	(iii) Annual use, family unit of	
10	two adults and children	
11	under fourteen years	
12	of age	\$20
13	(iv) Annual use, group or club	\$50
14	7. Reclassification of lands	\$100
15	8. Right-of-way	\$100 plus
16		appraisal costs
17	9. Sales:	
18	(a) Application to purchase	\$200 plus
19		legal advertising
20		costs
21	(b) Certificate of purchase:	
22	(i) Issuance	\$100
23	(ii) Transfer	\$200
24	(c) Issuance of patent	\$100
25	10. Selling and administrative expenses:	
26	(a) Up to three per cent of the	
27	consideration paid for all	
28	lands sold or long-term	
29	leased.	
30	(b) Two per cent of the first two	
31	hundred fifty thousand	
32	dollars of the appraised	
33	value of all improvements	
34	sold or the actual costs	
35	of the appraisal of the	
36	improvements sold, whichever	
37	is greater.	
38	(c) The actual cost of zoning	
39	application fees paid by the	
40	department to rezone trust land.	



(d) The actual costs of legal advertising expenses required by law and paid by the department, including costs of advertising hearings, land, leases and rights-of-way.

11. Service fee:

(a) Replacement of lost documents \$50

(b) Certified copy of documents \$10 plus

\$1 per page

(c) Returned check \$20

12. Miscellaneous filings, including power of attorney, mortgage, probate documents, divorce documents, deeds of trust, agreements, subleases, rights of entry, applications to open land and other similar documents

\$50

13. Bond for conservation lease or sale for conservation purposes

\$1,000

B. Notwithstanding section 37-107, monies paid as legal advertising costs under subsection A of this section, and appraisal monies received pursuant to subsection D of this section AND MONIES PAID AS APPLICATION EVALUATION AND PROCESSING COSTS PURSUANT TO SECTION 37-205, SUBSECTION A shall be deposited, pursuant to sections 35-146 and 35-147, in a separate account of the state land department fund to be used to pay costs of legal advertising, and appraisals required by the enabling act, the Constitution of Arizona or statute AND COSTS OF EVALUATING AND PROCESSING AN APPLICATION. The account shall be administered by the commissioner. On notice from the commissioner, the state treasurer shall invest and divest monies in the state land department fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

C. Monies paid as actual costs of zoning application fees paid by the department to rezone trust land under subsection A of this section shall be deposited, pursuant to sections 35-146 and 35-147, in a separate account of the state land department fund designated the zoning application fees account. Monies in the account shall be used to pay zoning application fees if developing trust lands require rezoning by the jurisdiction in which the lands are located. The account shall be administered by the commissioner.

D. At the request of an applicant, the commissioner may accept prepayment for the estimated cost of an appraisal required pursuant to section 27-234 and this title. The commissioner shall deposit and administer prepayment monies as provided by subsection B of this section. The commissioner shall use monies accepted pursuant to this subsection to conduct contract appraisals. If an auction is held pursuant to this section and the

1 applicant, who has prepaid the estimated cost of an appraisal, is not the
2 successful bidder, the successful bidder shall reimburse the applicant for
3 the actual cost of the appraisal. Nothing in this section does any of the
4 following:

5 1. Requires the commissioner to offer any land at auction or for
6 lease.

7 2. Requires the commissioner to reimburse the applicant if the land
8 is not auctioned or leased.

9 3. Affects the status of any other application pending an appraisal.
10 Sec. 2. Section 37-132, Arizona Revised Statutes, is amended to read:

11 37-132. Powers and duties

12 A. The commissioner shall:

13 1. Exercise and perform all powers and duties vested in or imposed
14 upon the department, and prescribe such rules as are necessary to discharge
15 those duties.

16 2. Exercise the powers of surveyor-general except for the powers of
17 the surveyor-general exercised by the treasurer as a member of the selection
18 board pursuant to section 37-202.

19 3. Make long-range plans for the future use of state lands in
20 cooperation with other state agencies, local planning authorities and
21 political subdivisions.

22 4. Promote the infill and orderly development of state lands in areas
23 beneficial to the trust and prevent any urban sprawl or leapfrog development
24 on state lands.

25 5. Classify and appraise all state lands, together with the
26 improvements on state lands, for the purpose of sale, lease or grant of
27 rights-of-way. The commissioner may impose such conditions and covenants and
28 make such reservations in the sale of state lands as the commissioner deems
29 to be in the best interest of the state trust. The provisions of this
30 paragraph are subject to hearing procedures pursuant to title 41, chapter 6,
31 article 10 and, except as provided in section 41-1092.08, subsection H, are
32 subject to judicial review pursuant to title 12, chapter 7, article 6.

33 6. Have authority to lease for grazing, agricultural, homesite or
34 other purposes, except commercial, all land owned or held in trust by the
35 state.

36 7. Have authority to lease for commercial purposes and sell all land
37 owned or held in trust by the state, but any such lease for commercial
38 purposes or any such sale shall first be approved by the board of appeals.

39 8. Except as otherwise provided, determine all disputes, grievances
40 or other questions pertaining to the administration of state lands.

41 9. Appoint deputies and other assistants and employees necessary to
42 perform the duties of the department, assign their duties, and require of
43 them such surety bonds as the commissioner deems proper. The compensation
44 of the deputy, assistants or employees shall be as determined pursuant to
45 section 38-611.

1 10. Make a written report to the governor annually, not later than
2 September 1, disclosing in detail the activities of the department for the
3 preceding fiscal year, and publish it for distribution. The report shall
4 include an evaluation of auctions of state land leases held during the
5 preceding fiscal year considering the advantages and disadvantages to the
6 state trust of the existence and exercise of preferred rights to lease
7 reclassified state land.

8 11. Withdraw state land from surface or subsurface sales or lease
9 applications if the commissioner deems it to be in the best interest of the
10 trust. This closure of state lands to new applications for sale or lease
11 does not affect the rights which existing lessees have under law for renewal
12 of their leases and reimbursement for improvements.

13 B. The commissioner may:

14 1. Take evidence relating to, and may require of the various county
15 officers information on, any matter that the commissioner has the power
16 to investigate or determine.

17 2. Under such rules as the commissioner adopts, use private real
18 estate brokers to assist in any sale or long-term lease of state land and
19 pay, from fees collected under section 37-108, subsection A, paragraph 10,
20 subdivision (a), a commission to a broker that is licensed pursuant to title
21 32, chapter 20 and that provides the purchaser or lessee at auction. The
22 purchaser or lessee at auction is not eligible to receive a commission
23 pursuant to this subsection. A commission shall not be paid on a sale or a
24 long-term lease if the purchaser or lessee is another governmental agency.

25 3. Require a permittee, lessee or grantee to post a surety bond or any
26 form of collateral deemed sufficient by the commissioner for performance or
27 restoration purposes. The commissioner shall use the proceeds of a bond or
28 collateral only for the purposes determined at the time the bond or
29 collateral is posted. For agricultural lessees, the commissioner may require
30 collateral as follows:

31 (a) As security for payment of the annual assessments levied by the
32 irrigation district in which the state land is located if the lessee has a
33 history of late payments or defaults. The amount of the collateral required
34 shall not exceed the annual assessment levied by the irrigation district.

35 (b) As security for payment of rent, if an extension of time for
36 payment is requested or if the lessee has a history of late payments of rent.
37 The collateral shall be submitted at the time any extension of time for
38 payment is requested. The amount of the collateral required shall not exceed
39 the annual amount of rent for the land.

40 (c) A surety bond shall be required only if the commissioner
41 determines that other forms of collateral are insufficient.

42 4. Withhold market and economic analyses, preliminary engineering,
43 site and area studies and appraisals that are collected during the urban
44 planning process from public viewing before they are submitted to local
45 planning and zoning authorities.

1 5. Withhold from public inspection proprietary information received
2 during lease negotiations. The proprietary information shall be released to
3 public inspection unless the release may harm the competitive position of the
4 applicant and the information could not have been obtained by other
5 legitimate means.

6 6. Issue special land use permits for short-term use of state land for
7 specific purposes as prescribed by rule.

8 7. Close urban lands to specific uses as prescribed by rule if
9 necessary for dust abatement or remediation purposes.

10 8. NOTWITHSTANDING SUBSECTION A, PARAGRAPH 4 OF THIS SECTION,
11 AUTHORIZE, IN THE BEST INTEREST OF THE TRUST, THE EXTENSION OF PUBLIC
12 SERVICES AND FACILITIES EITHER:

13 (a) THAT ARE NECESSARY TO IMPLEMENT PLANS OF THE LOCAL GOVERNING BODY,
14 INCLUDING PLANS ADOPTED OR AMENDED PURSUANT TO SECTION 9-461.06 OR 11-824.

15 (b) ACROSS STATE LANDS THAT ARE EITHER:

16 (i) CLASSIFIED AS SUITABLE FOR CONSERVATION PURSUANT TO SECTION
17 37-312.

18 (ii) SOLD OR LEASED AT AUCTION FOR CONSERVATION PURPOSES.

19 C. The commissioner or any deputy or employee of the department shall
20 not have, own or acquire, directly or indirectly, any state lands or the
21 products on any state lands, any interest in or to such lands or products,
22 or improvements on leased state lands, or be interested in any state
23 irrigation project affecting state lands.

24 Sec. 3. Section 37-205, Arizona Revised Statutes, is amended to read:
25 37-205. Costs related to disposition of land

26 A. In addition to other fees required by this title, the commissioner
27 may require or allow an applicant to advance or incur costs for evaluating
28 and processing an application for a sale, lease, right-of-way or other use
29 permit, including cultural resource investigations, legal land surveys,
30 environmental assessments and economic consulting, engineering, planning,
31 legal or geological studies. MONIES THAT ARE ADVANCED TO THE DEPARTMENT
32 PURSUANT TO THIS SUBSECTION SHALL BE DEPOSITED AND ADMINISTERED BY THE
33 COMMISSIONER AS PROVIDED BY SECTION 37-108, SUBSECTION B.

34 B. If the successful bidder at an auction is not the applicant, the
35 successful bidder shall reimburse the applicant for fees and costs paid
36 pursuant to this section in amounts and on terms as the commissioner or the
37 commissioner's designee directs in the auction notice. After receiving the
38 reimbursement amounts, the commissioner shall remit them to the applicant.

39 C. If an auction does not occur or a transaction is otherwise not
40 completed as a result of a mistake or circumstances caused by the department,
41 including issues arising out of concerns over title, misidentification of the
42 parcel and factors affecting the commissioner's view of the timeliness or
43 desirability of disposing of the parcel, then the commissioner, on the timely
44 written request of an applicant, may reimburse or cause to be reimbursed to
45 the applicant, on terms that the commissioner considers reasonable and

1 appropriate, from monies of the department all or part of the costs paid
2 pursuant to this section. The reimbursement may only be for costs that the
3 commissioner determines to represent an enhancement of knowledge about the
4 parcel or that tangibly or intangibly enhance the value of the parcel. The
5 commissioner may refuse any reimbursement request for any reason.

6 Sec. 4. Section 37-239, Arizona Revised Statutes, is amended to read:

7 37-239. Participation contracts; planning and disposition
8 proposals

9 A. The commissioner may enter into participation contracts and may
10 charge a fee to an applicant to retain one or more consultants to assist in
11 negotiating or preparing a participation contract. If the applicant is not
12 the successful bidder, the commissioner shall refund the fee.

13 B. Before recommending any participation contract to the board of
14 appeals, the commissioner shall consider and report on:

15 1. The methodology for determining any reimbursable infrastructure
16 costs.

17 2. An analysis of the state trust revenue to be derived from the
18 proposed participation contract.

19 3. The historical trends in land values in the area by types of
20 proposed land uses.

21 4. An analysis of the financial feasibility of the planned
22 development's proposed build-out schedule.

23 5. An evaluation of the potential economic risks and benefits to the
24 trust arising from the participation contract.

25 6. An analysis of the economic and financial impact, and other factors
26 determined by the commissioner, regarding alternative dispositions or no
27 disposition of the lands.

28 C. Each participation contract shall:

29 1. Provide that subsequent sales or leases of state land that are
30 subject to a participation contract shall be based on the criteria and the
31 phasing and disposition plan included in the participation contract and the
32 formula for determining the amount of revenue to the trust as a result of the
33 subsequent sale or lease.

34 2. Prescribe rights and remedies in the case of default including
35 rights to cure, forfeiture and other appropriate remedies.

36 D. This state's share of the revenues from the sale of land under a
37 participation contract shall be deposited, pursuant to sections 35-146 and
38 35-147, in the appropriate perpetual fund.

39 E. A participation contract MAY BE OFFERED on lands that do not have
40 a development plan approved by the commissioner OR ON LAND THAT may require
41 the successful bidder to FURTHER plan and zone property after the
42 auction. Before auctioning a contract requiring planning and zoning, the
43 commissioner shall MAY solicit planning and disposition proposals, through
44 advertisement for at least five consecutive days in a newspaper of general
45 circulation in the county in which the lands are located, or if there is no

1 daily newspaper of general circulation in that county, the advertisement
2 shall be published as many times within a thirty-day period as the newspaper
3 is published but not more than five times. The commissioner may require
4 information regarding the projected planning and zoning, the estimated costs
5 of the planning and zoning and the financial feasibility of the
6 proposal. The proposals shall also contain proposed participation
7 payments. The commissioner may provide that some of the information that is
8 contained in the proposals will remain confidential, if the information is
9 proprietary, until the commissioner recommends a contract to the board of
10 appeals. After the proposals are received, the commissioner may conduct
11 preauction conferences regarding the proposals. The commissioner may then
12 auction a participation contract that, at the commissioner's option, may
13 incorporate information that was acquired through the proposal process. A
14 participation contract that is entered into pursuant to this subsection
15 shall:

16 1. Require the successful bidder to pay a nonrefundable down payment
17 of at least two and one-half per cent of the minimum bid for the property,
18 plus the required fees prescribed in section 37-108 and, if the successful
19 bidder did not pay the consultant fee pursuant to subsection A of this
20 section, any fee charged pursuant to subsection A of this section, by
21 cashier's check at the time of the auction. The down payment does not
22 include participation payments.

23 2. Require an additional payment to be made within thirty days if the
24 amount bid for the land exceeds the minimum bid, so that the total down
25 payment, including the down payment paid on the date of the sale, will equal
26 the required percentage down payment of the total amount bid. The additional
27 payment does not include participation payments.

28 3. Require the successful bidder to post within thirty days after the
29 auction a surety bond or another form of collateral that the commissioner
30 considers to be sufficient to cover the costs of performing the required
31 planning and zoning.

32 4. Provide for the forfeiture of the contract and any accompanying
33 certificate of purchase or lease if the successful bidder fails to provide
34 the required collateral.

35 5. Describe the land to be planned and zoned, which may include land
36 that is retained by the department and not auctioned with the contract.

37 6. Contain guidelines for expected planning and zoning and time frames
38 for the planning and zoning consistent with the guidelines.

39 7. Provide for the forfeiture of the contract and any accompanying
40 certificate of purchase or lease if the successful bidder fails to accomplish
41 the planning and zoning within the prescribed time, unless extended in
42 writing by the commissioner based on good cause shown.

43 8. Require at least ten per cent of the total purchase price to be
44 paid by the time the planning and zoning are completed, unless extended in
45 writing by the commissioner based on good cause shown.

1 9. Provide for absolute approval authority by the commissioner of any
2 planning and zoning actions.

3 10. Deny the successful bidder the right to physically develop the
4 property, including grading or leveling, until at least ten per cent of the
5 purchase price has been paid.

6 11. Deny the issuance of partial patents for the property until at
7 least ten per cent of the purchase price has been paid and the requirements
8 of section 37-251 have been met.

9 12. Contain such other terms that the commissioner considers to be
10 necessary or appropriate.

11 F. AFTER IT IS ACCEPTED BY THE COMMISSIONER, A PLANNING AND ZONING
12 PROPOSAL SUBMITTED TO THE LOCAL GOVERNING BODY BY THE SUCCESSFUL BIDDER SHALL
13 BE ADMINISTERED AS A STATE GENERAL PLAN OR DEVELOPMENT PLAN AS APPROPRIATE,
14 ACCORDING TO THE PROCEDURES DESCRIBED IN ARTICLE 5.1 OF THIS CHAPTER.

15 Sec. 5. Section 37-241, Arizona Revised Statutes, is amended to read:

16 37-241. Terms of sale of state land; payment; interest rate

17 A. The terms of sale of state land are as follows:

18 1. At least ten per cent, but not more than twenty-five per cent, of
19 the appraised value, as stated in the auction notice, which shall be applied
20 to principal, together with the required fees prescribed by section 37-108,
21 shall be paid by cashier's check upon announcement of the successful bidder.

22 2. If the amount bid for the land exceeds the appraised value, further
23 payment shall be made within thirty days so that the total amount paid
24 including the amount paid on the date of sale shall equal the percentage of
25 the bid, as stated in the auction notice, which shall be allocated to
26 principal, together with the required fees prescribed under section 37-108.

27 B. Upon payment of the amounts provided in subsection A of this
28 section, and upon compliance by the purchaser with the requirements of this
29 article, and the payment of the fees under section 37-108, a certificate of
30 purchase shall issue as provided in section 37-244. ON FULL PAYMENT FOR THE
31 ENTIRE TRACT OF LAND SOLD WITHIN THIRTY DAYS AFTER THE AUCTION, THE
32 DEPARTMENT SHALL ISSUE A PATENT AS PROVIDED IN SECTION 37-251.

33 C. If the purchaser fails to complete the payment of the percentage
34 of the bid stated in the auction notice, together with the fees required by
35 section 37-108, or to enter into a contract of sale within the time provided:

36 1. ~~The purchaser forfeits all amounts paid, which shall be paid into~~
37 ~~the general fund and the classification and appraisal fund in the same~~
38 ~~proportion as in subsection A of this section. INCLUDING:~~

39 (a) ALL PAYMENTS MADE ON THE PURCHASE PRICE, WHICH SHALL BE DEEMED TO
40 BE RENTAL FOR THE LAND.

41 (b) ALL AMOUNTS PAID UNDER SECTION 37-108.

42 2. The commissioner may declare that the bid placed before the final
43 bid accepted is the highest bid, and that bidder has five business days after
44 notification by the department to pay by cashier's check all amounts due
45 under this section and section 37-108.

1 D. The balance of the purchase price is payable as follows:

2 1. The commissioner shall establish prior to the notice of sale the
3 length of the term over which the balance shall be paid and whether a
4 variable or fixed interest rate is appropriate. This determination shall be
5 based on the nature of the land being sold and general market conditions in
6 effect at the time.

7 2. After establishing the length of the term and whether a fixed or
8 variable rate is appropriate, the commissioner shall notify the state
9 treasurer to establish the interest rate after consideration of local
10 prevailing prime interest rates and mortgage rates and the maximum amount of
11 interest set by statute by this state, if any.

12 3. If a variable rate is established, the interest rate charged a
13 purchaser may vary from year to year. The department shall annually notify
14 each purchaser of the interest rate specified by the state treasurer to be
15 paid by the purchaser for the following year and the total amount of interest
16 payable the following year with the purchaser's annual payment.

17 E. The commissioner shall establish prior to the notice of sale the
18 length of the term over which the balance shall be paid. The term shall not
19 exceed twenty-five years.

20 F. The length of term, interest rate and whether the rate is variable
21 or fixed shall be considered terms of the sale to be included in the notice
22 required by section 37-237.

23 G. The purchaser may discharge the entire debt at any time and be
24 entitled to a patent for the land if the entire purchase price, together with
25 the applicable fees, is paid.

26 Sec. 6. Section 37-247, Arizona Revised Statutes, is amended to read:

27 37-247. Purchaser's default; forfeiture and cancellation of
28 certificate of purchase; extension of time for
29 payments

30 A. When a purchaser defaults in a payment of principal or interest,
31 as provided in the certificate of purchase, or fails to comply with a
32 condition, covenant or requirement thereof, the certificate shall be declared
33 subject to forfeiture. Within sixty days after default or failure the
34 department shall give notice of the default or failure by certified mail to
35 the purchaser's last known address of record in the department.

36 B. If the payment is not made, or the condition, covenant or
37 requirement is not complied with, within sixty days from the date of notice,
38 the certificate of purchase and all rights of the purchaser to the land and
39 improvements thereon may be canceled. In the event of cancellation, the
40 commissioner shall make a formal order canceling the certificate of purchase
41 and a copy of the order shall be mailed to the last known post-office address
42 of the holder of the certificate of purchase. If no appeal is made within
43 thirty days from the date a copy of the order is mailed to the holder of the
44 certificate of purchase, the order shall become final and the certificate of
45 purchase shall be canceled on the records of the department, and the

1 improvements and all payments made on the purchase price shall be deemed
2 rental for the land.

3 ~~C. The department may, upon application within sixty days from the~~
4 ~~date of notice of forfeiture as provided in subsection A, ON THE PURCHASER'S~~
5 ~~WRITTEN REQUEST, THE COMMISSIONER MAY extend the time for payment of the~~
6 ~~amount delinquent for a period of not more than five years on terms that the~~
7 ~~department COMMISSIONER considers to be appropriate AS FOLLOWS: . The~~

8 1. THE COMMISSIONER MAY GRANT AN EXTENSION IN RESPONSE TO A REQUEST
9 MADE WITHIN SIXTY DAYS BEFORE THE DUE DATE OF THE PAYMENT. AN EXTENSION
10 UNDER THIS PARAGRAPH BEGINS ON THE DATE THE PAYMENT WAS DUE AND CONTINUES FOR
11 THE PERIOD STATED IN A WRITTEN NOTICE TO THE PURCHASER.

12 2. THE COMMISSIONER MAY GRANT AN EXTENSION IN RESPONSE TO A REQUEST
13 MADE WITHIN SIXTY DAYS AFTER THE DATE OF THE DEFAULT OR FAILURE NOTICE
14 PROVIDED IN SUBSECTION A. AN extension UNDER THIS PARAGRAPH begins on the
15 date of ~~notice of forfeiture~~ THE NOTICE and continues for the period of time
16 stated in a written notice to the purchaser.

17 3. If the department does not act on an ~~application~~ A REQUEST for
18 extension within thirty days after receiving the ~~application~~ REQUEST, the
19 ~~application~~ REQUEST is considered to be denied. If the purchaser fails
20 during the period of the extension to complete all delinquent payments,
21 including principal and interest, the certificate of purchase shall
22 automatically be canceled and noted on the records of the department.

23 Sec. 7. Section 37-251, Arizona Revised Statutes, is amended to read:

24 37-251. Issuance of patents for state lands

25 A. Upon filing the certificate of purchase, together with evidence of
26 full payment of principal and interest, for the entire tract of land sold,
27 the department shall issue to the purchaser a patent under the seal of the
28 state, signed by the governor and countersigned by the secretary of state.

29 B. On application by the purchaser a patent for less than the entire
30 tract may be issued to the purchaser if the commissioner finds that it is in
31 the best interest of the applicable trust, subject to the following:

32 1. The parcel to be patented may consist of one or more pieces of
33 land, described either by metes and bounds or by legal subdivision.

34 2. A patent shall not be issued for less than one-fourth of the tract
35 sold or less than ten acres, whichever is smaller, except that:

36 (a) If the original tract is less than forty acres, a patent may be
37 issued for parcels of not less than five acres each.

38 (b) In the case of a right-of-way the actual parcel needed for the
39 right-of-way may be patented.

40 3. Before any parcel less than the entire tract is patented the
41 department shall determine that the remaining lands are of equal or greater
42 value per acre than those to be patented THE UNPAID BALANCE OF THE
43 CERTIFICATE OF PURCHASE and that the remaining lands have development
44 potential independent of the acreage that is being patented. Before
45 patenting, the commissioner shall require to be paid an amount, on the lands

1 to be patented, in excess of the purchase price per acre of the entire tract
2 until the total price of the entire tract has been paid. In establishing the
3 amount to be paid for the partial patent the commissioner shall take into
4 account the amount of the down payment made on the entire tract. Nothing in
5 this paragraph shall affect previously issued AFFECTS certificates of
6 purchase ISSUED BEFORE SEPTEMBER 30, 1988.

7 4. When paid, the partial purchase price shall be credited on the
8 total purchase price stated in the certificate of purchase. The department
9 may issue a supplement to the certificate of purchase deleting the land
10 patented and reducing the amount of each of the remaining annual installments
11 to that amount which, when all installments are paid in full, will discharge
12 the entire unpaid balance due on the original certificate of purchase.

13 C. Any land patented under this section is subject to existing valid
14 rights-of-way.

15 D. If the purchaser has died, and the land described has been sold and
16 confirmed by order of court, the patent shall be issued to the purchaser to
17 whom confirmation of sale was made. If the estate of the deceased person is
18 distributed by order of the court, the patent shall be issued to the heirs
19 of the deceased person, or to the person to whom the lands are distributed.
20 Patents issued to a deceased person shall inure to the benefit of the heirs
21 or assigns of the deceased person.

22 E. If an assignment of the certificate of purchase has been filed with
23 and approved by the department, the patent shall be issued to the assignee,
24 and if proper evidence of a transfer of the certificate by operation of law
25 is filed with the department, the patent shall be issued to the transferee.

26 F. A record of all patents issued shall be kept in the records of the
27 department.

28 Sec. 8. Section 37-255, Arizona Revised Statutes, is amended to read:

29 37-255. Sale of or mortgage or other lien on interest of lessee
30 or holder of certificate of purchase

31 A. The interest of the holder of any certificate of purchase of state
32 land, or any lease or permit on state land, shall be subject to sale,
33 mortgage or other lien to the same extent as patented land, without prejudice
34 to the state. A contract of sale, mortgage or other lien affecting any
35 certificate of purchase, lease or permit on state land shall not become
36 effective unless a copy of the document is filed with the state land
37 department. When filed, no assignment of the certificate of purchase, lease
38 or permit affected shall be made without notice to and the consent of all
39 parties.

40 B. Upon foreclosure of a contract of sale, mortgage or other lien
41 filed with the department as provided in subsection A of this section, the
42 department shall assign the instrument in question to the party entitled to
43 the instrument, if all taxes, rent and assessment payments are current.

44 C. If a cancellation or assignment order is issued pursuant to section
45 37-247, 37-281.04 or 37-289, the cancellation or assignment order shall not

1 become final until any foreclosure action by a party registered with the
2 department as a mortgagee or other lienholder of the purchaser's interest or
3 the lessee's interest is finally resolved, if the mortgagee or lienholder
4 does both of the following:

5 1. Within thirty days of the date of issuance of a notice of default,
6 files written notice with the department of its intent to proceed with a
7 foreclosure action.

8 2. Within one hundred twenty days of the date of issuance of a notice
9 of default, has commenced either a foreclosure action in court or a
10 nonjudicial foreclosure of a deed of trust, and has provided the department
11 with a certified copy of the complaint or other document that officially
12 commences the foreclosure process, and thereafter prosecutes the foreclosure
13 with reasonable diligence.

14 D. If a default notice has been sent to a purchaser pursuant to
15 section 37-247, subsection A or to a lessee pursuant to section 37-289,
16 subsection A, and the purchaser or lessee thereafter applies to assign the
17 certificate of purchase or lease to a mortgagee or lienholder registered with
18 the department, before the date a cancellation OR ASSIGNMENT order becomes
19 final and conclusive, the department shall approve the assignment if all
20 taxes, purchase payments, rent and assessment payments are current and
21 subject to the written consent of any other mortgagees or lienholders of
22 record.

23 E. ON PROOF THAT A LESSEE OR PURCHASER HAS REJECTED A LEASE OR
24 CERTIFICATE OF PURCHASE IN A BANKRUPTCY PROCEEDING, THE DEPARTMENT SHALL
25 ISSUE A LEASE OR CERTIFICATE OF PURCHASE TO THE REGISTERED MORTGAGEE OR OTHER
26 LIENHOLDER IN ORDER OF PRIORITY ON APPLICATION BY THE MORTGAGEE OR OTHER
27 LIENHOLDER WITHIN THIRTY DAYS AFTER THE REJECTION IF ALL TAXES, PURCHASE
28 PAYMENTS, RENT AND ASSESSMENT PAYMENTS ARE CURRENT. ANY LEASE OR CERTIFICATE
29 OF PURCHASE THAT IS ISSUED PURSUANT TO THIS SUBSECTION SHALL BE FOR THE
30 REMAINING TERM AND ON THE SAME CONDITIONS AND PRIORITY AS THE REJECTED LEASE
31 OR CERTIFICATE OF PURCHASE.

32 Sec. 9. Section 37-295, Arizona Revised Statutes, is amended to read:

33 37-295. Disposition of long-term commercial lease prepayments;
34 prepayment fund

35 A. If the department receives prepayments of rent paid from long-term
36 commercial leases under any provision of this chapter, the monies received
37 shall be transmitted to the state treasurer for investment in a prepayment
38 fund for the appropriate trust BENEFICIARY. ANY INTEREST EARNED FROM THE
39 INVESTMENTS OF MONIES IN THE PREPAYMENT FUND SHALL BE CREDITED TO THE
40 PREPAYMENT FUND. ~~The department shall, at the beginning of each fiscal year,~~
41 ~~notify~~ FOR EACH LEASE THAT IS PREPAID, THE DEPARTMENT SHALL GIVE NOTICE TO
42 the treasurer of the amount of prepaid rent which will accrue during that
43 ~~fiscal year~~ RENT ANNUALLY DUE TO THE BENEFICIARY ACCORDING TO A SCHEDULE
44 MAINTAINED BY THE DEPARTMENT. THE TREASURER SHALL REMIT TO THE DEPARTMENT
45 AN AMOUNT FROM THE PREPAYMENT FUND THAT IS EQUAL TO THE AMOUNT STATED IN THE

1 NOTICE. ~~Any interest earned from investments of monies in the prepayment~~
2 ~~fund and the amount of rental income accruing for that year shall be~~
3 ~~transferred~~ THE DEPARTMENT SHALL TRANSFER THE REMITTANCE to the credit of the
4 fund of the appropriate trust BENEFICIARY.

5 B. For leases entered into through December 31, 2000, the discount
6 rate for prepayments made pursuant to subsection A shall be no greater than
7 the current prevailing long-term interest rate established by the state
8 treasurer on the date the lease is approved by the board of appeals.

9 C. For leases entered into from and after December 31, 2000, the
10 discount rate for prepayments made pursuant to subsection A shall be no
11 greater than the twenty-four month average yield for a fixed income security
12 with a ten year maturity or average life which is eligible for purchase by
13 the permanent fund managed by the state treasurer. The twenty-four month
14 average calculation ends on the last day of the month before the month in
15 which the board of appeals approves the lease.

16 Sec. 10. Section 37-312, Arizona Revised Statutes, is amended to read:

17 37-312. Nominating and classifying trust land as suitable for
18 conservation purposes

19 A. On the commissioner's initiative, or on petition as provided by
20 subsection C of this section OR AS PROVIDED BY SECTION 37-332, the
21 commissioner may nominate certain trust lands as being under consideration
22 for classification as trust lands suitable for conservation purposes. The
23 commissioner shall not nominate trust lands as being under consideration for
24 classification as trust lands suitable for conservation purposes unless the
25 trust lands are eligible for classification under this section and are
26 located within:

27 1. One mile of the corporate boundaries of an incorporated city or
28 town having a population of less than ten thousand persons according to the
29 most recent United States decennial census.

30 2. Three miles of the corporate boundaries of an incorporated city or
31 town having a population of ten thousand persons or more according to the
32 most recent United States decennial census.

33 3. Ten miles of the boundaries that are established in paragraph 1 or
34 2 of this subsection and that are located within counties with a population
35 greater than five hundred thousand persons according to the most recent
36 United States decennial census and are adjacent to lands that are eligible
37 for conservation and share with them a specific physical characteristic such
38 as a reach of a river, a mountain slope or an archaeological feature.

39 B. In addition to the lands identified in subsection A, paragraphs 1
40 through 3 of this section, the following lands may be nominated for
41 reclassification by the commissioner:

42 1. Those lands within the Tortolita mountain park in Pinal county
43 located within T10S; R12E and T10S, R13E.

44 2. Those lands in the vicinity of the Superstition mountains in Pinal
45 county located within T1N, R9E; T1N, R10E; T1S, R9E; and T1S, R10E.

1 3. Those lands in the vicinity of the San Tan mountains in Pinal
2 county located within T3S, R7E, section 10, the northwest quarter of the
3 southeast quarter and the south half of the southeast quarter; section 15,
4 the north half and southeast quarter.

5 4. The following lands located in Coconino county:

6 (a) T19N, R5E, section 3.

7 (b) T19N, R6E, sections 5 and 6.

8 (c) T20N, R5E, sections 2, 8, 10, 12, 14, 18, 20, 22, 24, 26, 28, 30,
9 32, 34 and 36.

10 (d) T20N, R6E, sections 4, 5, 6, 8, 10, 14, 17, 18, 20, 22, 26, 28,
11 30, 32 and 34.

12 (e) T21N, R6E, sections 21, 22, 28, 31, 32 and 33.

13 C. The commissioner shall receive a petition to nominate trust lands
14 as being under consideration for classification as trust lands suitable for
15 conservation purposes from:

16 1. A state agency that leases the land or intends to lease or purchase
17 the land.

18 2. The board of supervisors of the county in which the land is
19 located.

20 3. The governing body of a city or town if the land is located within:

21 (a) The corporate boundaries of the city or town.

22 (b) One mile outside the corporate boundaries and the city or town has
23 a population of less than ten thousand persons.

24 (c) Three miles outside the corporate boundaries and the city or town
25 has a population of ten thousand persons or more.

26 4. Ten or more private individuals who:

27 (a) Reside in the county in which the land is located.

28 (b) Have the financial capability to lease or purchase the land.

29 5. A nonprofit corporation or trust, the purpose or powers of which
30 include conservation of natural, scenic, open space or other conservation
31 values.

32 6. The current lessee of the land.

33 7. A business or corporation that is legally empowered to own or
34 manage real property in this state and that intends to lease or purchase the
35 land.

36 D. A PETITIONER WHO REQUESTS THE COMMISSIONER TO RECLASSIFY THE LAND
37 PURSUANT TO THIS ARTICLE SOLELY OR PARTIALLY ON GROUNDS THAT THE LAND
38 CONTAINS CULTURAL RESOURCES WORTHY OF CONSERVATION SHALL PROVIDE, ON THE
39 COMMISSIONER'S REQUEST, A REPORT ON THE RESULTS OF A CULTURAL RESOURCES
40 SURVEY OF THE PETITIONED LAND FOR THE COMMISSIONER'S CONSIDERATION BEFORE
41 DETERMINING IF THE RECLASSIFICATION IS IN THE BEST INTEREST OF THE TRUST.

42 E. ~~THE~~ UNLESS THE COMMISSIONER NOMINATES THE TRUST LANDS UNDER
43 SECTION 37-332, A petitioner shall post a bond or other security sufficient
44 to cover the costs of the planning, notice, advertisement and public hearing
45 as required by this article and as determined by the commissioner. The bond

1 or security is forfeit to this state if the commissioner reclassifies the
2 land pursuant to this article.

3 ~~E.~~ F. The commissioner shall not nominate or classify trust land as
4 suitable for conservation purposes if a development plan was approved for the
5 land pursuant to article 5.1 of this chapter before July 26, 1996. The
6 commissioner may nominate and classify trust land as suitable for
7 conservation purposes in an area within a development plan approved after
8 July 26, 1996 if appropriate conservation purposes are incorporated within
9 the development plan prepared for the commissioner's approval. IN NOMINATING
10 AND CLASSIFYING TRUST LAND AS SUITABLE FOR CONSERVATION PURPOSES UNDER THIS
11 SUBSECTION, THE COMMISSIONER SHALL FOLLOW THE PROCEDURES FOR REQUESTING LOCAL
12 GOVERNMENT ZONING PURSUANT TO SECTION 37-334, SUBSECTION E.

13 ~~F.~~ G. UNLESS THE COMMISSIONER NOMINATES THE TRUST LANDS UNDER SECTION
14 37-332, after nominating the trust lands under subsection A or B of this
15 section, the commissioner shall:

16 1. Mail notice of intent to classify the lands as trust lands suitable
17 for conservation purposes to THE BENEFICIARY OR BENEFICIARIES FOR WHOM THE
18 LANDS ARE HELD IN TRUST, existing lessees, local planning authorities, the
19 appropriate regional planning authorities and owners of private land that
20 consists of forty or more acres and that is located within three hundred feet
21 of the trust land. The notice shall include the date, time and place of the
22 public hearing to be held pursuant to subsection ~~G~~ H of this section and a
23 request for written comments on the proposed classification within thirty
24 days after the date of notice.

25 2. Within thirty days after giving the notice under paragraph 1 of
26 this subsection:

27 (a) Publish the notice stating a date, time and place of a public
28 hearing for six publications in a newspaper of general circulation in the
29 county in which the designated lands are located.

30 (b) Mail the notice to any person who has requested notice of any
31 classification under this article.

32 (c) Mail the notice to the Arizona game and fish department, the
33 Arizona department of agriculture, the Arizona state parks board, the Arizona
34 department of transportation and any other affected state agency.

35 ~~G.~~ H. Within sixty days after the last date of publication of notice
36 under subsection ~~F~~ G of this section, the commissioner or the commissioner's
37 designee shall conduct a public hearing in a location in this state as close
38 as conveniently possible to the trust land to receive and record oral and
39 written testimony concerning the proposed classification.

40 ~~H.~~ I. In determining whether reclassification is in the best interest
41 of the trust, the commissioner shall:

42 1. Consult with the governing body of each city or town in which the
43 land proposed for reclassification is located or to which the land is
44 contiguous, the county board of supervisors of each county in which the land
45 is located if the land is not located within the boundaries of a city or town

1 and the local planning and zoning authorities, including the affected
2 regional planning authorities.

3 2. Consider recommendations of the conservation advisory committee.

4 3. Consider all evidence and testimony that are submitted at the
5 hearing ~~under subsection G of this section.~~ THAT WAS HELD PURSUANT TO:

6 (a) SUBSECTION H OF THIS SECTION IF THE COMMISSIONER NOMINATED THE
7 TRUST LANDS UNDER THIS SECTION.

8 (b) SECTION 37-332, SUBSECTIONS B, C AND D IF THE COMMISSIONER
9 NOMINATED THE TRUST LANDS UNDER SECTION 32-332.

10 4. Consider the physical and economic impacts that the
11 reclassification would have on other lands owned or controlled by the current
12 lessee and the physical and economic impacts on the local community.

13 5. Consider the existence of any holding lease on the lands.

14 6. Consider the existence of any planning permit issued by the
15 commissioner for the lands pursuant to article 5.1 of this chapter.

16 7. Consider the amount of progress on any development plans being
17 completed for the lands pursuant to article 5.1 of this chapter.

18 8. Evaluate the mineral potential of the land.

19 ~~I.~~ J. The commissioner shall determine whether the reclassification
20 is in the best interest of the trust and, in making the determination, shall
21 state in writing the reasons why the classification is or is not in the best
22 interests of the trust.

23 ~~J.~~ K. If the commissioner reclassifies the trust land as suitable for
24 conservation purposes, the commissioner shall adopt a plan to allow existing
25 and conservation uses to be coordinated in a manner that will protect both
26 existing uses and conservation and open space values. If the reclassified
27 trust land is unleased or the petitioner is the lessee pursuant to subsection
28 C, paragraph 6 of this section, the commissioner may require a plan from the
29 petitioners describing how the property is to be managed. In adopting the
30 plan, the commissioner shall consult with:

31 1. The conservation advisory committee.

32 2. The governing body of the city or town if the land is located in
33 a city or town.

34 3. The county board of supervisors if the land is not located in a
35 city or town.

36 4. Existing lessees of the trust land, local and regional planning
37 authorities and owners of private land who provided written comments pursuant
38 to subsection ~~F~~ G, paragraph 1 of this section.

39 5. Any other person or entity that the commissioner considers to be
40 necessary.

41 ~~K.~~ L. The classification of state land as suitable for conservation
42 does not affect the designation or use of adjacent federal, state or private
43 land.

1 ~~t.~~ M. A person who is adversely affected by the commissioner's
2 decision to reclassify land as suitable for conservation purposes may appeal
3 the decision to the board of appeals pursuant to section 37-215.

4 ~~M.~~ N. On classifying trust lands suitable for conservation purposes,
5 existing leases shall not be canceled or modified as a result of any actions
6 taken pursuant to this article, and renewals of existing leases shall be
7 pursuant to section 37-291.

8 Sec. 11. Section 37-331, Arizona Revised Statutes, is amended to read:
9 37-331. Definitions

10 In this article, unless the context otherwise requires:

11 1. "CONSERVATION" HAS THE SAME MEANING PRESCRIBED IN SECTION 37-311.

12 ~~1.~~ 2. "Existing lessee" means any of the following:

13 (a) The lessee who is entitled to the use of state lands at the time
14 such lands are considered for classification and are classified as urban
15 lands suitable for urban planning.

16 (b) An existing lessee who continues to lease urban lands following
17 classification as urban lands suitable for urban planning.

18 (c) A person who leases urban lands following classification as urban
19 lands suitable for urban planning.

20 ~~2.~~ 3. "Local planning authorities" means any city, town or county in
21 which urban lands suitable for urban planning are located. When urban lands
22 that are located in an unincorporated area of a county are designated as
23 urban lands suitable for urban planning, a city or town whose corporate
24 boundaries are three miles or less from these lands shall be considered to
25 be a local planning authority, together with the governing body of the county
26 in whose jurisdiction the lands are located.

27 ~~3.~~ 4. "Planning contractor" means the person or persons who contract
28 with the department to formulate a development or secondary plan for urban
29 lands suitable for urban planning.

30 ~~4.~~ 5. "State general plan" means a policy document that addresses
31 appropriate uses for state lands, provides a general basis for a development
32 plan and makes policy statements related to the use and management of state
33 lands.

34 Sec. 12. Section 37-331.03, Arizona Revised Statutes, is amended to
35 read:

36 37-331.03. Conceptual urban state trust land use plans; five
37 year state trust land disposition plans;
38 definitions

39 A. The commissioner shall create conceptual land use plans for all
40 urban state trust land in this state and other state trust lands the
41 commissioner considers to be appropriate. The commissioner shall:

42 1. Prioritize the creation of conceptual plans to the extent possible
43 to:

44 (a) Correlate with the rate of population growth in the urban areas
45 in this state.

1 (b) Coincide with the production of municipal general plans under
2 title 9, chapter 4, article 6 and county plans under title 11, chapter 6,
3 article 2.

4 2. Revise and update each plan at least every ten years.

5 3. Consult with the city, town or county in which the land is located
6 and with any regional planning organization regarding integrating the
7 conceptual plan into the general land use plan of the city, town or county.

8 4. Submit each plan, and revision of the plan, to the urban land
9 planning oversight committee for review.

10 B. ON APPROVAL OF THE CONCEPTUAL LAND USE PLAN BY THE COMMISSIONER
11 UNDER THIS SECTION, THE CONCEPTUAL PLAN IS CONSIDERED TO BE A STATE GENERAL
12 PLAN FOR PURPOSES OF THIS ARTICLE.

13 ~~B.~~ C. The commissioner may create the conceptual land use plans under
14 subsection A of this section by any of the following methods:

15 1. Using department staff or private consultants.

16 2. Entering into participation contracts pursuant to section 37-239.

17 3. Issuing planning permits for urban lands pursuant to section
18 37-338.

19 4. Entering into planning contracts for urban lands or other state
20 trust lands the commissioner considers to be appropriate, including
21 compensation as provided by section 37-338, subsection D.

22 ~~C.~~ D. The commissioner shall create five year disposition plans for
23 all state trust land in this state, based at a minimum on market demand,
24 anticipated transportation and infrastructure availability. The commissioner
25 shall:

26 1. Review and update each plan each year as may be necessary.

27 2. Consult with the city, town or county in which the land is located
28 and with any regional planning organization.

29 3. Submit each plan and revision to the urban land planning oversight
30 committee to ensure conformity with the conceptual plan under subsection A.

31 ~~D.~~ E. For THE purposes of this section:

32 1. "Conceptual land use plan" means a plan that is developed for urban
33 state trust land and other state trust lands the commissioner considers to
34 be appropriate and that identifies:

35 (a) Appropriate land uses, including commercial, industrial,
36 residential and open space uses.

37 (b) Transportation corridors and infrastructure requirements.

38 (c) All natural and man-made ARTIFICIAL constraints and opportunities
39 associated with the land.

40 2. "Five year disposition plan" means a plan that identifies the land
41 projected to be sold, leased, reclassified for conservation purposes, master
42 planned or zoned during the next five years.

1 Sec. 13. Section 37-332, Arizona Revised Statutes, is amended to read:
2 37-332. Urban lands; notice; hearing; requirements;
3 classification; state general plan

4 A. ON THE COMMISSIONER'S INITIATIVE, the commissioner may, ~~on his own~~
5 ~~initiative~~, designate certain urban lands as being under consideration for
6 classification as urban lands suitable for urban planning, OR SUITABLE FOR
7 CONSERVATION PURPOSES IF THE LANDS ARE TO BE PLANNED IN CONJUNCTION WITH
8 LANDS TO BE DEVELOPED, pursuant to this section. The commissioner may
9 designate urban lands as being under consideration for classification as
10 urban lands suitable for urban planning OR CONSERVATION PURPOSES upon
11 application by the governing body having jurisdiction for the area in which
12 the urban lands are located.

13 B. UNLESS THE COMMISSIONER HAS ASKED THE LOCAL GOVERNING BODY FOR A
14 GENERAL OR COMPREHENSIVE PLAN AMENDMENT THAT WOULD INCLUDE PUBLIC
15 NOTIFICATION AND HEARING, AND after designating urban lands pursuant to
16 subsection A of this section, the commissioner shall give notice of intent
17 to classify the urban lands as suitable for urban planning OR CONSERVATION
18 PURPOSES and of intent to prepare a state general plan to existing lessees,
19 local planning authorities, and owners of property that extends to within
20 three hundred feet of the designated urban lands AND THE BENEFICIARY OR
21 BENEFICIARIES FOR WHOM THE LANDS ARE HELD IN TRUST. Within thirty days after
22 giving notice, the commissioner shall publish the notice stating the date,
23 time and place of the public hearing for six publications in a newspaper of
24 general circulation in the county in which the designated urban lands are
25 located. The commissioner shall give notice to any person who requests
26 notice of any classification and preparation of a state general plan made
27 under this section.

28 C. In the notice required under subsection B of this section, OR ON
29 THE COMMISSIONER'S REQUEST OF THE LOCAL GOVERNING BODY FOR A GENERAL OR
30 COMPREHENSIVE PLAN AMENDMENT, the commissioner shall notify all existing
31 lessees of state land within the boundaries of the area under consideration
32 that such a designation may subsequently result in reclassification of state
33 lands within the boundaries of the designated areas.

34 D. IF APPLICABLE, within sixty days after the last date of publication
35 of notice under subsection B of this section, the commissioner or his THE
36 COMMISSIONER'S designee shall conduct a public hearing in the city, town or
37 county in which the lands are located to receive and record oral and written
38 testimony concerning the classification as urban lands suitable for urban
39 planning OR CONSERVATION PURPOSES and the state general plan.

40 E. The commissioner may classify urban lands as urban lands suitable
41 for urban planning OR CONSERVATION PURPOSES and may approve a state general
42 plan after determining, ~~from oral and written testimony received that:~~

43 1. The department has met the notice and public hearing requirements
44 of subsections B, C and D of this section OR THAT THE COMMISSIONER HAS

1 REQUESTED A GENERAL OR COMPREHENSIVE PLAN AMENDMENT BY THE LOCAL GOVERNING
2 BODY THAT WOULD INCLUDE PUBLIC NOTICE AND HEARING.

3 2. The state lands being considered as urban lands suitable for urban
4 planning are adjoining existing commercially or homesite developed lands
5 which are either:

6 (a) Within the corporate boundaries of a city or town.

7 (b) Adjacent to the corporate boundaries of a city or town.

8 (c) Lands for which the designation as urban lands is requested
9 pursuant to section 37-331.01.

10 3. The state lands under consideration are located in areas where
11 planning for urban growth and development is appropriate, is beneficial to
12 the trust and does not promote urban sprawl or leapfrog development.

13 4. The proximity of the urban lands to other developed areas and local
14 jurisdictions is considered.

15 5. The urban lands' compatibility with adjoining development and land
16 uses is considered.

17 6. The department has cooperated with the department of water
18 resources to determine that the urban lands have the quality and quantity of
19 water needed for urban development.

20 7. The department has fully cooperated with the local planning
21 authorities with jurisdiction over the area or areas in which the state urban
22 lands being considered are located.

23 8. All of the affected local planning authorities' development
24 policies have been taken into consideration by the department.

25 9. The classification is consistent with the local planning
26 authorities' development policies.

27 10. The proximity to and impact on public facilities, including streets
28 and highways, water supply systems, wastewater collection and treatment
29 systems and other public facilities and services necessary to support
30 development, are considered.

31 11. It is in the best long-term interest of the trust to plan for
32 development.

33 12. The types of land uses for state lands, including residential,
34 commercial, industrial, agricultural, open space and recreational uses are
35 considered.

36 13. The natural and man-made ARTIFICIAL features of the state lands,
37 including floodplains, geologic instabilities, natural areas, wildlife
38 habitat, airport influence zones, other potentially hazardous conditions and
39 historic and archaeological sites and structures are considered.

40 14. The timing of development is considered.

41 15. The impact to all existing leases in the area under consideration
42 and in the general area is considered.

43 16. The department has resources available to plan the urban lands
44 under consideration.

1 17. Any other considerations deemed relevant by the commissioner and
2 local planning authorities.

3 F. Before approving the classification and proposed state general plan
4 the commissioner shall determine whether the classification and state general
5 plan are in the best interest of the trust. The commissioner shall state in
6 writing the reasons for any determination that the classification or state
7 general plan is PREPARED ACCORDING TO THIS SECTION WOULD BE detrimental to
8 the interests of the trust.

9 G. After the commissioner approves the state general plan, no
10 amendment or revision may be made without the commissioner's approval. The
11 commissioner may approve a proposed amendment or revision only after
12 notifying and meeting with the local planning authority regarding the nature
13 of the proposed amendment or revision. IF THE LOCAL PLANNING AUTHORITY DOES
14 NOT HOLD A PUBLIC HEARING ON THE PROPOSED AMENDMENT OR REVISION, the
15 commissioner shall hold, and the local planning authority may request, a
16 public hearing on the proposed amendment or revision if the proposed
17 amendment or revision does not substantially conform to the state general
18 plan. If such a hearing is held, the proposed amendment or revision may be
19 adopted after the hearing and after the commissioner and the local planning
20 authority consider the information presented at the hearing. The
21 commissioner shall provide notice of the public hearing as provided by
22 subsections B, C and D of this section. If neither the commissioner nor the
23 local planning authority determines that a public hearing is necessary, the
24 commissioner may adopt the proposed amendment or revision.

25 H. IF THE LAND INCLUDED IN A STATE GENERAL PLAN WAS PREVIOUSLY SOLD
26 OR LEASED, AND THE PLAN AMENDMENT PROPOSED BY THE OWNER OR LESSEE WOULD
27 SUBSTANTIALLY INCREASE THE VALUE OF THE LAND AS ESTIMATED BY AN APPRAISAL OR
28 WOULD COMPETE WITH LAND USES ELSEWHERE ON LAND INCLUDED UNDER THE PLAN, THEN
29 AS A CONDITION FOR APPROVING THE AMENDMENT, THE COMMISSIONER MAY REQUIRE
30 ADDITIONAL CONSIDERATION.

31 Sec. 14. Section 37-334, Arizona Revised Statutes, is amended to read:

32 37-334. Designation of lands; development or secondary plan;
33 requirements; approval

34 A. The commissioner may designate certain urban lands as suitable for
35 a development plan. The designation may be made only for lands for which a
36 state general plan has been approved under section 37-332, OR A CONCEPTUAL
37 PLAN HAS BEEN DEVELOPED PURSUANT TO SECTION 37-331.03. The designation shall
38 specify the boundaries of the urban lands and that a development plan is to
39 be prepared for those lands.

40 B. After designating certain urban lands as suitable for a development
41 plan, the commissioner may cause a development or secondary plan to be
42 prepared. The development or secondary plan may be submitted to the
43 department, after a development planning permit or secondary planning permit
44 is issued, or may be prepared by a planning contract to the lowest and best
45 bidder, with monies appropriated by the legislature for the purpose of urban

1 lands development planning. A secondary planning permit is a planning permit
2 issued for a parcel or parcels of state land that have not yet been disposed
3 of to prepare a secondary plan which supplements and implements an approved
4 development plan.

5 C. The development or secondary plan shall contain specific provisions
6 for the use, development and management of the urban lands in accordance with
7 the state general plan as approved under section 37-332.

8 D. The development or secondary plan shall contain provisions as are
9 necessary to implement the purposes of this section, including:

10 1. Provisions for allocation and location of specific uses of the
11 land, including residential, commercial, industrial, recreational or other
12 appropriate uses.

13 2. Provisions for acceptable densities and concentrations of the
14 designated land uses.

15 3. Provisions for the timing and rate of development.

16 4. Provisions for the delivery of an adequate or assured water supply
17 as specified in title 45, chapter 1 or 2.

18 5. Provisions for public facilities and resources, including water
19 supply delivery systems, wastewater collection and treatment systems, parks
20 and public recreational facilities, school sites, roads and other elements
21 of a transportation system and other necessary facilities and services.

22 6. Provisions for needed zoning and other land use control mechanisms.

23 7. Provisions for resource conservation and the use of alternate
24 sources of energy.

25 8. Other provisions deemed relevant by the commissioner.

26 E. To the extent the proposed development plan would require zoning
27 inconsistent with any existing zoning, the commissioner shall submit a
28 request to the local government with jurisdiction over the lands in question
29 for either rezoning consistent with the development plan or approval of a
30 land use plan pursuant to statute or ordinance that would include
31 designations of proposed zoning categories and land use intensity and that
32 would be consistent with the development plan. The local government shall
33 act upon the request within six months, notifying the commissioner as to the
34 acceptance or rejection of the commissioner's request for rezoning or plan
35 approval. Rejection of a request for rezoning or plan approval may, at the
36 commissioner's discretion, be appealed in the manner provided to any owner
37 of land affected by a zoning decision. The local government's zoning
38 decision shall govern the use of the lands unless the commissioner determines
39 that such zoning or plan is detrimental to the interests of the trust. If
40 the commissioner so determines, the commissioner shall prepare a written
41 statement of the reasons for the determination and shall within ten days of
42 such decision provide a copy of the written statement to the local planning
43 authority. The local government within whose jurisdiction the lands are
44 located has thirty days from receipt of this statement to appeal the
45 commissioner's decision to the board of appeals as provided for in section

1 37-215. If the local government fails to act upon the commissioner's request
2 for rezoning or plan approval within the time provided in this subsection,
3 the commissioner may adopt the development plan, noting that the requested
4 rezoning or plan approval has not been obtained from the local government.
5 The commissioner may, after compliance with the requirements of section
6 37-335, reclassify the lands and proceed with their sale or lease, noting in
7 the call for bids that the requested rezoning or plan approval has not been
8 obtained.

9 F. The commissioner shall not approve the development or secondary
10 plan until the director of water resources has either evaluated the plans for
11 an adequate water supply for the proposed development of lands outside a
12 groundwater active management area as required by section 45-108 or has
13 certified that there is an assured water supply for the proposed development
14 of lands in a groundwater active management area as required by section
15 45-576.

16 ~~G. The commissioner shall conduct a public hearing on the proposed~~
17 ~~development or secondary plan. The hearing shall be held prior to a final~~
18 ~~determination that any existing zoning is detrimental to the interests of the~~
19 ~~trust and prior to the approval of a development or secondary plan. The~~
20 ~~commissioner shall give notice of the public hearing in the manner provided~~
21 ~~under section 37-332, subsections B, C and D. After the public hearing the~~
22 ~~commissioner may approve the development or secondary plan.~~

23 H. G. Following approval of the development plan by the commissioner,
24 no amendment or revision may be made without approval by the commissioner.
25 The commissioner may approve a proposed amendment or revision of the
26 development plan only if it is consistent with the state general plan OR
27 CONCEPTUAL PLAN or after complying with the requirements prescribed under
28 section 37-332, subsections E, F and G.

29 I. H. Following approval of a secondary plan by the commissioner, no
30 amendment or revision may be made without the commissioner's approval. After
31 notice to the development planning permittee, if one exists, and any master
32 property association for the affected development plan, the commissioner may
33 approve a proposed amendment of the secondary plan only if it is consistent
34 with the development plan. If the proposed amendment is inconsistent with
35 the development plan, the development plan must be amended under subsection
36 H- G of this section.

37 I. IF THE LAND INCLUDED IN A DEVELOPMENT OR SECONDARY PLAN WAS
38 PREVIOUSLY SOLD OR LEASED, AND THE PLAN AMENDMENT PROPOSED BY THE OWNER OR
39 LESSEE WOULD SUBSTANTIALLY INCREASE THE VALUE OF THE LAND AS ESTIMATED BY AN
40 APPRAISAL OR WOULD COMPETE WITH LAND USES ELSEWHERE ON LAND INCLUDED UNDER
41 THE PLAN, THEN AS A CONDITION FOR APPROVING THE AMENDMENT, THE COMMISSIONER
42 MAY REQUIRE ADDITIONAL CONSIDERATION.

1 Sec. 15. Section 37-335, Arizona Revised Statutes, is amended to read:
2 37-335. Sale or lease of state lands for development

3 A. On approval of the development or secondary plan, the commissioner
4 may reclassify the lands consistent with the plan. The existing lessee is
5 entitled to compensation as provided by this chapter.

6 B. Upon the reclassification of state lands, the existing lessee shall
7 be given notice of this reclassification and of the lessee's rights as
8 provided in section 37-290, subsections A and C.

9 C. Upon the cancellation of a lease due to a reclassification of state
10 lands under subsection A of this section, the existing lessee shall have a
11 preferred right to lease the reclassified land by offering a bid that matches
12 the highest and best bid received by the commissioner for the reclassified
13 land at public auction. The highest bidder may offer one subsequent bid that
14 exceeds the bid of the existing lessee, but the existing lessee has the right
15 to match the final bid. If the existing lessee is not successful in
16 obtaining the reclassified lease, or if the existing lessee chooses not to
17 exercise the preferred right specified in this subsection, the existing
18 lessee is eligible for compensation and reimbursement as provided in section
19 37-335.01. The preferred right described in this section is subject to the
20 requirements of section 37-291, subsection B, and the preferred right shall
21 expire after the commissioner receives the highest and best bid at public
22 auction. If the commissioner determines that no bid will be accepted, the
23 preferred right to lease the reclassified lease shall remain in effect,
24 subject to any subsequent public auction. The preferred right is not
25 transferrable and can be exercised only by the existing lessee.

26 D. At least two ~~ONE~~ independent appraisals ~~are~~ APPRAISAL IS required
27 for commercial leases that are offered at public auction if a former lessee
28 has a vested preferred right under subsection C of this section. The
29 commissioner shall require the successful bidder to pay the cost of
30 appraisals THE APPRAISAL.

31 E. Following cancellation of a lease due to reclassification, the
32 commissioner may issue an interim use permit for the urban lands reclassified
33 for a term the commissioner deems necessary to protect the income of the
34 trust and this state. For thirty days after cancellation of a lease, the
35 prior lessee has a preferred right to obtain the interim use permit.

36 F. On determination by the board of appeals that the lands to be
37 developed under this article should be sold, the commissioner shall comply
38 with all publication and other statutory requirements for the sale of state
39 lands. In determining the minimum amount acceptable as a bid, the
40 commissioner shall include the related proportionate part, based on the ratio
41 of lands proposed to be sold to lands covered by the development or secondary
42 plan, of the actual costs incurred by this state in obtaining the development
43 or secondary plan adopted for implementation. All state costs recovered at
44 the time of sale shall be paid to the state general fund.

1 G. The certificate of purchase or patent shall require the purchaser
2 to honor any covenants and restrictions as deemed necessary by the
3 commissioner to implement the approved development or secondary plan. A
4 breach of any covenant or restriction results in the reversion of all rights,
5 title and interests in the land to this state pursuant to the conditions
6 prescribed by section 37-247.

7 H. If urban lands in the area of the adopted plan are sold, the
8 purchaser shall conform the use of the land to the development or secondary
9 plan and to other local zoning ordinances.

10 I. On a determination by the board of appeals that the land to be
11 developed under this article should be leased, the commissioner shall
12 incorporate the provisions of the approved development or secondary plan into
13 the lease. The commissioner shall comply with all publication and other
14 statutory requirements for the lease of state lands.

15 J. The successful bidder shall pay to this state the relative
16 proportionate part, based on the ratio of lands proposed to be leased to
17 lands covered by the development or secondary plan, of the actual costs
18 incurred by this state in obtaining the development or secondary plan adopted
19 for implementation. Payment to this state shall be made at the time the lease
20 is signed. All state costs recovered at the time of lease shall be paid to
21 the state general fund.

22 K. The lessee shall submit to the jurisdiction of the county or the
23 incorporated city or town within whose jurisdiction the land is located with
24 respect to compliance with building, safety and housing codes or ordinances
25 and any development or site plan review procedures applicable to the
26 development of the land for the uses permitted by the lease.

27 L. A lease issued pursuant to this section may be terminated, at the
28 option of the commissioner, for any violation of lease provisions pursuant
29 to the conditions prescribed by section 37-288. On cancellation or
30 termination of a lease issued pursuant to this section, the commissioner may
31 seek a new lessee only by complying with the same process through which the
32 original lease was issued. If the costs of the development or secondary plan
33 have been received by the state as provided in subsection J of this section
34 at the time of termination or cancellation, a subsequent lessee under this
35 subsection need comply with subsection J of this section only to the extent
36 that the lease offered to the subsequent lessee includes lands for which the
37 proportionate part of the costs to the state for obtaining the development
38 or secondary plan have not been recovered.

39 M. An encumbrance shall not be placed upon this state's interest in
40 land leased for development. The lease may contain provisions that will
41 permit the encumbering of the lessee's interest in the lease by mortgage or
42 deed of trust.

43 N. Within the scope of an approved development or secondary plan, the
44 commissioner may assess the value of rights-of-way or parcels to be used for
45 parks, schools, public facilities, open space or other public purposes, and

1 assign those values to parcels that will be sold or leased for residential,
2 commercial or industrial purposes as payment for the purchase or lease price
3 that otherwise would be required for such rights-of-way, or parcels to be
4 used for parks, schools, public facilities, open space or other public
5 purposes. The total revenues derived from all parcels within the development
6 plan shall not be less than the aggregate appraised value of all the parcels.

7 Sec. 16. Section 37-335.02, Arizona Revised Statutes, is amended to
8 read:

9 37-335.02. Off-site improvement of urban lands

10 A. The governing body of an incorporated city or town or the board of
11 directors of a county improvement district may submit to the commissioner for
12 approval an improvement plan to be carried out by the city, town or county
13 improvement district for some or all of the urban lands within its corporate
14 or district boundaries OR FOR INCLUSION IN A COMMUNITY FACILITIES DISTRICT
15 PURSUANT TO TITLE 48, CHAPTER 4, ARTICLE 6. The plan shall be submitted
16 before any assessment has been levied for construction of off-site
17 improvements which will be on or adjacent to and benefit the urban land. The
18 plan may provide for the imposition of special assessments only against the
19 leasehold interest of the lessee or the interest in the certificate of
20 purchase of the purchaser of urban lands which will be subject to sale or
21 long-term lease pursuant to section 37-281.02 or other law. The plan shall
22 include the following:

23 1. A description of the work proposed.

24 2. An estimate of the cost of such work and the costs to be imposed
25 against the leasehold interest of the lessee or the interest in the
26 certificate of purchase of the purchaser of urban land within the area of the
27 plan.

28 3. A map and legal description of the area showing the urban lands
29 benefited by the work proposed.

30 4. A method of charging the cost to any long-term lessee or
31 certificate of purchase holder of the urban lands benefited.

32 5. A schedule or alternative schedules for payment of the costs so
33 charged by future holders of certificates of purchase or lease on such urban
34 land, including the manner in which charges under such schedules will be held
35 in abeyance for urban lands not subject to a certificate of purchase or
36 lease. The schedule for payments shall state the maximum assessment amount,
37 excluding interest, which may be imposed against the leasehold interest of
38 the lessee or the interest in the certificate of purchase of the purchaser
39 of urban land involved in the plan.

40 6. The maximum interest rate to be charged on the unpaid charges,
41 including the maximum rate at which interest, if any, will accrue for urban
42 lands benefited but not subject to a certificate of purchase or lease.

43 7. Information showing that the urban land involved in the plan will
44 be benefited in an amount equal to or greater than the proposed maximum
45 assessment amount.

1 8. Such other terms as the governing body deems necessary or
2 appropriate.

3 B. No plan may include urban land which is already subject to a
4 long-term lease or certificate of purchase nor may any assessment be imposed
5 against the leasehold interest of the lessee or the interest in the
6 certificate of purchase of the purchaser of such land unless the lessee or
7 certificate of purchase holder agrees to such inclusion and assessment.

8 C. The commissioner shall cooperate if requested by the governing body
9 of the city, town or county improvement district in the preparation and
10 revision of the improvement plan. The commissioner may hold such public
11 hearings as the commissioner determines are necessary and may approve the
12 plan if it is in compliance with the development or secondary plan for the
13 urban lands affected.

14 D. If the commissioner approves the improvement plan or any
15 modification of the plan, he shall enter an order to that effect in his
16 official records and cause a copy to be served on the governing body
17 requesting approval, recorded with the county recorder of the county in which
18 the land is located and filed with the secretary of state. Fees shall not
19 be charged for recording or filing.

20 Sec. 17. Section 37-335.03, Arizona Revised Statutes, is amended to
21 read:

22 37-335.03. Assessment district assessments and city improvement
23 plan assessments as lien on urban lands within
24 district; enforcement

25 A. Officially certified descriptions of all urban lands included
26 within the boundaries of a city special assessment or county improvement
27 district subject to an approved improvement plan, with the amounts of
28 assessments and charges of every character made against the leasehold
29 interest of the lessee or the interest in the certificate of purchase of the
30 purchaser of such lands, shall be furnished to the state land department as
31 soon as the assessments or charges are levied. A promise by the lessee or
32 purchaser to make timely payment of all assessment charges and an
33 acknowledgement ACKNOWLEDGMENT of the assessment shall be inserted in any
34 certificate of purchase or lease for such lands. If assessments have been
35 levied against urban lands prior to purchase or lease pursuant to an
36 improvement plan, the commissioner shall require that all unpaid installments
37 on assessments be paid to the city or town or county improvement district
38 before executing a lease or any instrument of sale. Thereafter the
39 proceedings leading to the recording of an assessment by the city or town or
40 county improvement district may treat the lessee's or purchaser's interest
41 in state land as land subject to an assessment notwithstanding section 48-582
42 or 48-920.

43 B. If any installment of any assessment or charge against the
44 leasehold interest of the lessee or the interest in the certificate of
45 purchase of the purchaser of urban land subject to an improvement plan is not

1 paid when due, the superintendent of streets of the city or town or county
2 improvement district where the urban land is located may, after not less than
3 thirty days' notice to the named purchaser or lessee, notify the state land
4 department of the nonpayment. Such nonpayment is a default under any
5 certificate of purchase or long-term lease under which such lands are held.
6 The interest of any purchaser or lessee of any urban lands within a municipal
7 assessment district is subject to the enforcement and sale, redemption and
8 forfeiture provisions of title 48, chapter 4, article 2 or title 48, chapter
9 6, article 1. Nonpayment of charges due pursuant to an improvement plan
10 subjects the certificate or lease to default proceedings as provided by this
11 chapter. If the delinquent amounts against such land are not paid within
12 thirty days from the date the notice is received by the commissioner, the
13 commissioner shall act to cancel the certificate of purchase or lease.

14 C. All charges and assessments legally imposed against the leasehold
15 interest of the lessee or the interest in the certificate of purchase of the
16 purchaser of urban lands subject to an improvement plan approved by the
17 commissioner which are not held under a certificate of purchase or lease by
18 the assessment district or pursuant to an improvement plan shall be a
19 continuing charge, and such land shall not be leased or sold until the
20 purchaser or lessee of the land presents to the state land department a
21 certificate from the superintendent of streets of the city or town or county
22 improvement district in which the land is located showing that all
23 assessments due have been paid as provided in subsection A of this section.

24 Sec. 18. Repeal

25 Section 37-337, Arizona Revised Statutes, is repealed.

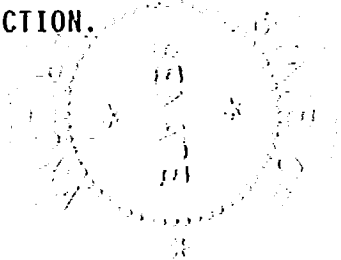
26 Sec. 19. Section 37-461, Arizona Revised Statutes, is amended to read:

27 37-461. Grants of rights-of-way and sites for public uses

28 A. The department may grant rights-of-way for any purpose it deems
29 necessary, and sites for reservoirs, dams and power or irrigation plants, or
30 other purposes, on and over state lands, subject to terms and conditions the
31 department imposes. The department may make rules respecting the granting
32 and maintenance of such rights-of-way and sites.

33 B. The department may grant rights-of-way for transportation purposes
34 to federal agencies, state agencies or political subdivisions of this state
35 for nonexclusive uses for a term exceeding ten years without a public
36 auction. If a grant of a right-of-way or site to any other entity amounts
37 to the disposition of or conveys a perpetual right to use the surface of the
38 land, the department shall grant the right-of-way or site at public auction
39 to the highest and best bidder.

40 C. THE DEPARTMENT MAY GRANT RIGHTS-OF-WAY TO ANY PERSON FOR
41 NONEXCLUSIVE USES FOR A TERM OF NOT MORE THAN FIFTY YEARS WITHOUT A PUBLIC
42 AUCTION.



1 Sec. 20. Section 41-1092.02, Arizona Revised Statutes, is amended to
2 read:

3 41-1092.02. Appealable agency actions; application of
4 procedural rules; exemption from article

5 A. This article applies to all contested cases as defined in section
6 41-1001 and all appealable agency actions, except contested cases with or
7 appealable agency actions of:

- 8 1. The state department of corrections.
- 9 2. The board of executive clemency.
- 10 3. The industrial commission of Arizona.
- 11 4. The Arizona corporation commission.
- 12 5. The Arizona board of regents and institutions under its
13 jurisdiction.
- 14 6. The state personnel board.
- 15 7. The department of juvenile corrections.
- 16 8. The department of transportation.
- 17 9. The department of economic security except as provided in sections
18 8-506.01 and 8-811.
- 19 10. The department of revenue regarding income tax, withholding tax or
20 estate tax or any tax issue related to information associated with the
21 reporting of income tax, withholding tax or estate tax.
- 22 11. The board of tax appeals.
- 23 12. The state board of equalization.
- 24 13. The state board of education.

25 B. Unless waived by all parties, an administrative law judge shall
26 conduct all hearings under this article, and the procedural rules set forth
27 in this article and rules made by the director apply.

28 C. Except as provided in subsection A of this section:

29 1. A contested case heard by the office of administrative hearings
30 regarding taxes administered under title 42 shall be subject to the
31 provisions under section 42-1251.

32 2. A final decision of the office of administrative hearings regarding
33 taxes administered under title 42 may be appealed by either party to the
34 director of the department of revenue, or a taxpayer may file and appeal
35 directly to the board of tax appeals pursuant to section 42-1253.

36 D. Except as provided in subsections A, B, E, and F AND G of this
37 section and notwithstanding any other administrative proceeding or judicial
38 review process established in statute or administrative rule, this article
39 applies to all appealable agency actions and to all contested cases.

40 E. Except for a contested case or an appealable agency action
41 regarding unclaimed property, sections 41-1092.03, 41-1092.08 and 41-1092.09
42 do not apply to the department of revenue.

43 F. The board of appeals established by section 37-213 is exempt from:

44 1. The time frames for hearings and decisions provided in section
45 41-1092.05, subsection A, section 41-1092.08 and section 41-1092.09.

1 2. THE REQUIREMENT IN SECTION 41-1092.06, SUBSECTION A TO HOLD AN
2 INFORMAL SETTLEMENT CONFERENCE AT THE APPELLANT'S REQUEST IF THE SOLE SUBJECT
3 OF AN APPEAL PURSUANT TO SECTION 37-215 IS THE ESTIMATE OF VALUE REPORTED IN
4 AN APPRAISAL OF LANDS OR IMPROVEMENTS.
5 G. AUCTION PROTEST PROCEDURES PURSUANT TO TITLE 37, CHAPTER 2, ARTICLE
6 4.1 ARE EXEMPT FROM THIS ARTICLE.

APPROVED BY THE GOVERNOR JUNE 4, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 4, 2002.



Passed the House April 3, 2002,

by the following vote: 41 Ayes,

16 Nays, 3 Not Voting

[Signature]
Speaker of the House

Norman L. Moore
Chief Clerk of the House

on reconsideration
Passed the Senate May 9, 2002,

by the following vote: 16 Ayes,

9 Nays, 5 Not Voting

[Signature]
President of the Senate

Chamion Billington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

 day of , 20 ,

at o'clock M.

Secretary to the Governor

Approved this day of

 , 20 ,

at o'clock M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this day of , 20 ,

at o'clock M.

Secretary of State

H.B. 2162


HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

May 20, 2002,

by the following vote: 31 Ayes,

27 Nays, 2 Not Voting


Speaker of the House

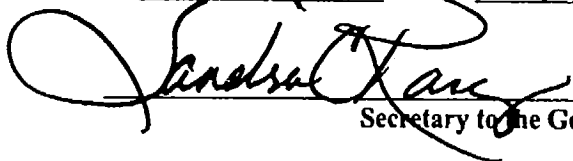

Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

21 day of May, 2002

at 8:13 o'clock A M.


Secretary to the Governor

Approved this 4th day of

June, 2002,

at 10:30 o'clock A M.


Governor of Arizona

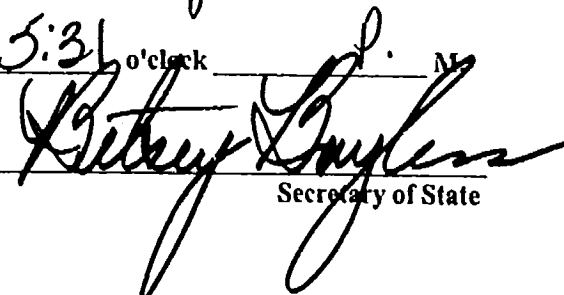
H.B. 2162

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 4 day of June, 2002,

at 5:31 o'clock P M.


Secretary of State